

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Lands - Implementation of the flagship programs of Government of Andhra Pradesh such as "Navaratnalu", "Naadu-Nedu" etc. and infrastructure development works in the state of Andhra Pradesh on self-sustainable basis - Monetisation of Land parcels which are lying idle since very long across the state owned by the Government of Andhra Pradesh through Build Andhra Pradesh Mission - Approval of Memorandum of Understanding to be entered between Government of Andhra Pradesh and NBCC (INDIA) Ltd (A Government of India Enterprise) - Authorisation to Mr.Pravin Kumar, IAS, Mission Director, Mission Build Andhra Pradesh to sign the MoU on behalf of Government of Andhra Pradesh - Orders - Issued.

REVENUE (ASSIGNMENT-I) DEPARTMENT

G.O.Ms.No.447

Dated 05-11-2019

ORDER:

Government of Andhra Pradesh has conceptualized innovative programs and schemes for overall development in the state. The programs such as "Navaratnalu", "Naadu-Nedu", etc. are crucial for inclusive and comprehensive development.

2. Also, majority of Public buildings in the state of Andhra Pradesh are very old, they require huge maintenance costs and however not able to cope with the requirements. There is an urgent need for augmenting these infrastructures besides creating new infrastructure.

3. Government of Andhra Pradesh owns huge tracts of land parcels across the state which are lying idle since many years. Most of these land parcels are either unutilised or underutilised and some of them are under encroachment, litigations, unauthorised use, etc.

4. Accordingly it is proposed to implement the flagship programs of Government of Andhra Pradesh such as "Navaratnalu", "Naadu-Nedu" etc. and develop infrastructure using the funds generated through part monetisation of these land parcels lying idle and prone to encroachments.

5. Further, NBCC (India) Ltd., is a Government of India Navratna Public Sector Enterprise under the Ministry of Housing & Urban Affairs and is one of the largest Central Public Sector Enterprise in construction sector. NBCC has experience of developing mega similar projects viz. East Kidwai Nagar, Nauroji Nagar, Netaji Nagar & Sarojini Nagar and had earlier developed New Motibagh colony on similar model. Therefore, NBCC is ideally suited to take up this development of infrastructure work using the funds generated through sale of land parcels.

6. In view of the above, after careful consideration, Government of Andhra Pradesh hereby decided to enter into Memorandum of Understanding with NBCC (INDIA) Ltd (A Government of India Enterprise) for Monetisation of Land parcels across the state which are lying idle since long time and owned by the Government of Andhra Pradesh through Build Andhra Pradesh Mission and using the sale proceeds for implementation of the flagship programs of Government of Andhra Pradesh such as "Navaratnalu", "Naadu-Nedu" etc. and infrastructure development works development works like - District level, Mandal level & Village level secretariats, Education and Medical facilities, etc., in the state of Andhra Pradesh on self-sustainable basis.

7. Accordingly, Government hereby approve the draft Memorandum of Understanding (MoU), appended as Annexure to this order, to be entered between Government of Andhra Pradesh and NBCC (INDIA) Ltd (A Government of India Enterprise).

8. Further, Mr.Pravin Kumar, IAS, Mission Director, Mission Build Andhra Pradesh is authorised to sign the MoU on behalf of Government of Andhra Pradesh.

9. All the secretariat departments shall make necessary amendments to the respective Acts and Rules to enable to transfer of ownership of lands pertaining the Government Institutions/ Organisations/ Universities / Autonomous bodies / Urban Local bodies (which are under their control) to District Planning and Implementation Committees (DPIC) and also to convey the said land parcels to NBCC, immediately.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**V.USHARANI,
SECRETARY TO GOVERNMENT.**

To

The Mission Director, Mission Build Andhra Pradesh, A.P. Secretariat, Velagapudi.

The CMD, NBCC, NBCC Bhawan, Lodhi Road, New Delhi – 110003

All the District Collectors / Joint Collectors in the State.

All Departments in A.P. Secretariat, Velagapudi.

All Heads of State Government Departments / Corporations / Institutions/
Organizations / Universities / Autonomous bodies.

The Spl.C.S. & CCLA (FAC), A.P., Vijayawada.

Copy to:

The I.G, Registration & Stamps, A.P., Vijayawada.

P.S. to Principal Advisor to Chief Minister.

OSD to Advisor to C.M, Navaratanalu.

OSD to Deputy Chief Minister (Revenue)

P.S. to Secretary to Government, Revenue (Lands) Department

All Assignment & Registration Sections in Revenue Department.

G.A. (Cabinet) Department w.r.t U.O. No.388/2019, dated.31.10.2019.

SC/SF.

// Forwarded :: By order //

SECTION OFFICER.

ANNEXURE

(to G.O.MS.NO.447, REVENUE (ASSIGNMENT-I) DEPARTMENT, DT.05.11.2019).

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

Government of Andhra Pradesh

AND

NBCC (INDIA) LTD

(A GOVERNMENT OF INDIA ENTERPRISE)

FOR

**IMPLEMENTATION OF THE FLAGSHIP PROGRAMS OF GOVERNMENT OF
ANDHRA PRADESH FOR INCLUSIVE AND COMPREHENSIVE
DEVELOPMENT.**

___ November 2019

MEMORANDUM OF UNDERSTANDING

MADE ON THIS _____ DAY OF November 2019

BY AND BETWEEN

GOVERNMENT OF ANDHRA PRADESH, (hereinafter called "**GoAP**" which expression shall unless by or repugnant to the context be deemed to include its successors and assigns), having its Office at : A P Secretariat Building, Velagapudi, Amaravati, Andhra Pradesh, acting through its Mission Director, BUILD Andhra Pradesh as ONE PART.

AND

NBCC (INDIA) LIMITED under the aegis of the Ministry of Housing and Urban Affairs, Government of India, having its registered office at NBCC Bhawan, Lodhi Road, New Delhi – 110003 (hereinafter called "**NBCC**" which expression shall unless excluded by or repugnant to the context to deemed to include its successors in interest or business and permitted assigns) acting through its Chairman-cum-Managing Director as SECOND PART.

NBCC (India) Limited, is a Navratna status Central Public Sector Enterprise, under the Ministry of Housing & Urban Affairs, Government of India ("**GoI**"). NBCC is engaged into construction and development of mega value projects and has developed many prestigious projects in joint venture with Central Govt, other state governments / departments, and has requisite expertise and experience in construction, marketing and development of real estate.

GoAP and NBCC shall be individually be referred to as a "**Party**" and collectively as the "**Parties**".

WHEREAS, GoAP owns various land parcels at various locations across the state of Andhra Pradesh.

WHEREAS, GoAP is desirous of monetizing parts of these land parcels and use the funds so raised for implementation of the flagship programs of Government of Andhra Pradesh such as "Navaratnalu", "Naadu-Nedu" etc. and infrastructure development programs, for inclusive and comprehensive development.

WHEREAS GoAP is desirous of appointing NBCC as the Executing/Implementing agency for the "monetization of their identified land parcels and use part of the funds so generated for development of various infrastructure works (hereinafter referred to as "**the Project**")", and accordingly this Memorandum of Understanding (MoU) is being signed by the aforesaid parties.

NOW THIS MOU WITNESSETH AS FOLLOWS:

1.0 The terms and conditions of entrusting the projects for monetization of GoAP land parcels and development of various infrastructure works to NBCC as Executing/Implementing Agency on behalf of GoAP are as follow-

- a.** State Level Monitoring Committee (SLMC) under the Chairmanship of Chief Minister of Andhra Pradesh shall comprise of the Mission Director (Build Andhra Pradesh) and other state level officials including NBCC senior representative not below the rank of General Manager. The Chief Commissioner of Land Administration

(CCLA) will be Convenor, Mission Director, Build AP will be Co-Convenor.

b. District Planning and Implementation Committees (DPIC) under the chairmanship of respective District Magistrates shall comprise of nominated district / state level officials and NBCC representatives. The Joint Collector will be the Convenor.

c. "Land Parcels" means including lands owned by State Government and its Institutions / Organizations / Universities / Autonomous bodies etc.

1.1 Project Planning & Detailed Project Report

a) NBCC will carry out the due diligence and detailed feasibility study of the identified land parcels through a reputed property consultant to establish their commercial potential. Based on these studies, NBCC & SLMC, jointly will identify the land parcels for monetization through freehold sale.

b) SLMC will identify various infrastructure works to be taken up with the funds generated through monetization of land parcels and notify NBCC accordingly. NBCC will carry out the master planning and other development planning of the identified infrastructure works in accordance with the applicable development norms. Based on the planning, NBCC shall prepare preliminary estimates on CPWD plinth area rates (wherever applicable) enhanced by applicable cost index/ market rate cost etc. as per standard methods. The Cost estimate shall include provision for escalation and contingency as per CPWD norms.

c) The total cost of the project shall be met from sale of identified land parcels as above. Based on the feasibility reports a detailed project report (DPR) shall be prepared based on cost and revenue plan for approval of DPIC. The DPIC shall approve the DPR.

d) Based on approved development plan & cost revenue plan, NBCC shall prepare further detailed estimates, architectural design & drawings and service drawings required for execution of the Project.

1.2 Actual Project Cost

The total Project Cost shall include cost of feasibility studies, Design & drawings, construction, site development, payment to the local bodies/statutory authorities, towards obtaining permissions, approvals, NOCs, third parties for auction, sale administration & referee, applicable taxes & duties, Escalation costs, contingent expenditure as per CPWD norms and NBCC Project Management Consultancy fee (PMC fee)& Project Marketing Fee.

1.3 Sale Process

a. The sale of identified land parcels to Private entities/ individual etc., shall be conducted in phases, only through transparent e-bidding system.

b. Land parcels shall be offered for sale at unit prices as approved by the District Planning and Implementation Committees (DPIC).

c. In order to sale of the identified land parcels of Government Institutions/ Organisations/ Universities / Autonomous bodies / Urban Local bodies and also to convey the said land parcels to NBCC, necessary amendments to the respective Acts and Rules have to be made for transfer of ownership of lands pertaining such organisation to DPIC.

1.4 Fund Management

- a) The entire sale proceeds of identified land parcels shall be deposited in dedicated Escrow accounts (separate Escrow account for each district) to be opened & operated jointly by GoAP (represented by DPIC) & NBCC in selected nationalized banks, as decided by the DPIC.
- b) The sale proceeds will flow to GoAP from the Escrow accounts as per decision of SLMC for implementation of "Navaratnalu", "Naadu-Nedu" and other flagship programs of Government of Andhra Pradesh for inclusive and comprehensive development.
- c) Separate Project Bank accounts shall be opened by NBCC for the infrastructure projects.
- d) As and when required, necessary funds from the Escrow accounts to the Project accounts shall be transferred based on request raised by NBCC.
- e) NBCC will incur all expenditure related to project implementation, including consultancy fee from the project accounts and submit periodic details to DPIC.
- f) Income accrued on demolition and construction waste (bricks, iron, wood and others) from existing buildings if any, shall be credited into the Escrow Accounts. The interest accrued thereon shall also be credited to the Escrow Accounts.

1.5 Project Monitoring Committee

- a) DPICs & SLMC will be formulated within 30 days of signing of this MoU by GoAP.
- b) District Planning and Implementation Committees (DPIC) will monitor the implementation of the project in the respective district and accord necessary approvals for sale of identified land parcels, unit sale prices of land parcels, design of the proposed infrastructure works, change in designs, cost estimates, deviations, escalation, imposition of penalties on the contractor, if any, pertaining to infrastructure works, etc.
- c) After identification of land parcels to be monetized, Cabinet approvals will be obtained for their monetization and NBCC will render necessary help in obtaining the cabinet approval.
- d) DPIC shall also review the status of Escrow Account of their particular district on quarterly basis or as desired by the Chairman of the DPIC. DPIC will devise a format for operating the Escrow Account and institute a proper mechanism for its operation and audit of Escrow account.
- e) State Level Monitoring Committee (SLMC) will monitor the project periodically and sort out the issues referred by the District Planning and Implementation Committees (DPIC).

1.6 NBCC Consultancy Fee

- a)** NBCC shall be paid Project Management Consultancy fee (PMC fee) @ 8% of the estimated/approved Project cost or actual Project cost (whichever is lower) towards development of infrastructure works as detailed below:
 - NBCC PMC fee will be charged to the project cost @ 2 % of Estimated cost on completion of designs and finalization of DPR.

- Further, 1 % of Estimated cost will be charged on award of works to contractors.
- Balance 5 % fee will be charged on pro-rata basis during execution of work.
- Cost of Design and drawings will be paid separately on actual basis.

b) NBCC shall be paid 1% of actual sale proceeds towards marketing costs of identified land parcels.

c) The Goods and Service Tax (GST) and cess etc. shall be payable to NBCC separately as applicable on the PMC & marketing fee.

d) NBCC shall be paid actual costs incurred on property feasibility studies, Architectural Planning & Designing, other actual costs and NBCC's reasonable overhead expenses, in the event of the projects not taking off after the signing of the MoU, due to circumstances beyond the reasonable control of NBCC. However, these actual costs shall not be more than the above specified stage wise percentages.

1.7 Timelines

The Construction / development would be completed in a phased manner within the specified timeline from the date of commencement. The date of commencement of construction of project shall be from the date of approval of drawings by statutory authorities / local bodies and handing over of hindrance free land by GoAP, whichever is later.

1.8 Project Execution

a) NBCC shall invite & finalize tenders and award all the works for all execution and consultancy works as per their internal procedure for different packages for implementation of the project.

NBCC will be fully responsible for Contract Management with contractors on all matters related to Design, Cost, Progress, decisions, Extra items, Levy of Penalties, Extension of Time, etc. in coordination with the DPICs.

b) NBCC will incorporate advanced state of art technologies during construction, minimizing the pollution hazard, improving quality and reducing the overall completion timelines.

c) NBCC shall maintain separate books of accounts for the projects and all expenditure shall be booked to these project accounts.

d) The design of the proposed development/construction should keep in view elements/features of universal design so as to be user-friendly for disabled persons and accessibility features for differently-able persons.

2. Role of GoAP:

2.1 GoAP (DPIC) shall identify and convey to NBCC the list of land parcels to be monetized.

2.2. Further, GoAP (DPIC) shall identify and handover the identified land parcels free from all encumbrance and encroachment to NBCC.

2.3. GoAP (DPIC) shall also identify and convey NBCC the list of infrastructure works to be taken up by utilizing the funds generated through monetization of land parcels.

2.4. Necessary shifting of existing occupants if any will be undertaken by the GoAP (DPIC) in advance i.e. one month prior to start of sale/work. NBCC shall inform GoAP (DPIC) in writing of the existing building/occupants which are required to be cleared one month in advance.

2.5. GoAP being the land owning agency will act as developer for implementation of the projects and shall be responsible for the allotment / handing over of saleable BUAs after completion of project, wherever required.

2.6. GoAP (DPIC) will provide all land related documents and facilitate the change of land use (if required) to facilitate the development of infrastructure works on self-sustainable model. GoAP (DPIC) shall provide timely approval for development scheme including the cost and revenue plan, preliminary estimate and detailed cost estimate etc.

2.7. GoAP shall provide all assistance where necessary for approvals required from the local /statutory bodies.

3. Role of Implementing Agency (NBCC):

NBCC would be implementing the project from concept till commissioning and would be rendering all the services both for pre-constructional activities and post constructional activities as follows:

3.1. Pre-constructional activities such as preparation of preliminary plans, preparation of preliminary estimate & approvals from statutory bodies & local bodies, obtaining all pre-construction clearances/approvals from respective authorities.

3.2. Construction stage consists of obtaining approval for design/drawing of the layout plan, call of tenders and execution of work through contractors, supervision of work, testing & commissioning, maintenance of all documents & records, handling disputes/litigation, if any, during construction stages, all audits by Government agencies, implementation of labour laws, and adherence to IS codes, National Building Codes, etc.

3.3. Post construction activities consist of obtaining completion certificate from local bodies including fire clearance, facilitate handing over of the project on completion from the GoAP to the allottees/buyers, settlement of accounts, handling of disputes/litigation, if any, with the agencies/contractors engaged for the construction.

3.4. NBCC shall ensure that the land is used only for the purpose for which they have been handed over and not for any other purpose.

3.5. NBCC shall execute the project only after getting building plans approved as per the statutory requirements and after approval of design by the Empowered Committee.

3.6. NBCC shall obtain environmental clearances for the redevelopment works wherever required.

3.7. NBCC shall incorporate green building features, rainwater harvesting system, energy efficient building features, water conservation, sewage / effluent treatment / recycling / disposal, solid waste management,

dedicated vehicle parking, green belt etc. as per conditions stipulated in environmental clearance wherever required. The construction and demolition waste if any shall be disposed of in accordance with the provisions of new Construction and Demolition Waste Management Rules, 2016 as amended from time to time.

3.8. The trees, if any, situated on the plot will be Government property and if required, shall not be removed without prior approval of the concerned statutory authority. The approvals from the local /statutory bodies for Tree cutting permission etc. will be obtained by NBCC. Assistance of GoAP may be sought where necessary and the same shall be provided forthwith to NBCC.

3.9. NBCC shall handover the completed structures and services along with inventory of fixtures to the GoAP or any other nominated Government agency upon its completion.

3.10. NBCC shall not be liable to pay any property tax or other taxes, rents, charges, claims (past or future) in respect of properties developed for the project on the corresponding land.

4. Other Terms and Conditions

4.1 The detailed planning of the project development will seek to integrate the infrastructure requirements of the State of Andhra Pradesh. Sale of identified land parcels should aim at giving maximum benefits to the GoAP.

4.2 NBCC shall provide a draft sale agreement to be executed between GoAP and buyers consisting detailed terms and conditions of sale, wherever required. Later on, the relevant conditions will become part of the sale deed at the time of execution.

4.3 NBCC shall clearly specify in the sale deed that the purchaser has rights only on the specific BUA purchased by him and any future enhanced FAR including redevelopment rights (over land and built up spaces sold) that may come about in future, shall remain with GoAP and that the GoAP would have exclusive development rights over any enhanced FAR provided by the development control norms in future.

4.4 The Sale deed shall be signed between the land owning agency i.e. GoAP and the buyer. The stamp duty and all other charges/expenses in connection with the sale deeds / documents of the space will exclusively be borne by space buyer on rates prevailing at the time of registration of the sale deed.

4.5 NBCC shall submit quarterly returns of the physical and financial progress of the projects to GoAP in the format prescribed by the DPIC.

4.6 The nominee of GoAP may at any time inspect the construction site/land and premises. Refusal to allow inspection shall amount to violation of the terms calling for suitable action under the provision applicable.

4.7 All liabilities arising out of any court decree or arbitration award and/or any additional costs transpiring due to the direction of any court / tribunal / statutory body and / or any other legal costs in any suit or arbitration, in respect of any dispute arising out of the Project development shall form part of the Project construction cost.

5. Dispute Resolution and Arbitration

5.1 In the event of any disputes relating to the interpretation and/or application of the provisions of the contracts, (whether during the progress of the works or after their completion) the same shall be settled amicably through mutual discussions or shall be referred by letter by either party to the Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD)

under the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India.

This MoU has been executed in duplicate. The first part will retain one original and one original copy will be handed over to the Second Part.

In WITNESS WHEREOF the parties hereto have signed their hands on these presents, in the presence of witness on the day, month and year first above written.

For and on behalf of **GoAP**

For and on behalf of **NBCC**

WITNESSES FOR GoAP

WITNESSES FOR NBCC

- 1.
- 2.

V.USHARANI,
SECRETARY TO GOVERNMENT.